

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11-7-07

CASCIO & SCHMIDT, LLC
Certified Public Accountants

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

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CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Vietnamese Initiatives in Economic Training

We have audited the accompanying statement of financial position of Vietnamese Initiatives in Economic Training (a nonprofit corporation) as of December 31, 2006, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The summarized comparative information has been derived from the Corporation's financial statements for the year ended December 31, 2005, and in our report dated December 15, 2006, we expressed an unqualified report on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vietnamese Initiatives in Economic Training as of December 31, 2006, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2007, on our consideration of Vietnamese Initiatives in Economic Training's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

We conducted our audit for the purpose of forming an opinion on the basic financial statements of Vietnamese Initiatives in Economic Training taken as a whole. The accompanying combined statement of activities on pages 11 and 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Cassio + Schmidt, LLC

Metairie, Louisiana
October 12, 2007

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

STATEMENT OF FINANCIAL POSITION

December 31, 2006

		Memorandum Only <u>December 31, 2005</u>
ASSETS		
Cash	\$ 42,594	\$ 27,062
Grants receivable (Notes A5 and B)	<u>113,419</u>	<u>62,920</u>
Total current assets	156,013	89,982
PROPERTY AND EQUIPMENT -		
At cost (Note A6)	35,000	-
Automotive equipment		
Less accumulated depreciation	<u>4,375</u>	<u>-</u>
	<u>30,625</u>	<u>-</u>
Total assets	<u>\$ 186,638</u>	<u>\$ 89,982</u>
LIABILITIES		
Accounts payable	\$ 30,271	\$ 5,777
Deferral revenue		
Disaster Relief Fund	<u>-</u>	<u>25,000</u>
Total current liabilities	30,271	30,777
NET ASSETS		
Unrestricted	156,367	54,434
Temporarily restricted	<u>-</u>	<u>4,771</u>
Total Net Assets	<u>156,367</u>	<u>59,205</u>
Total Liabilities and Net Assets	<u>\$ 186,638</u>	<u>\$ 89,982</u>

The accompanying notes are an integral part of this statement.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

STATEMENT OF ACTIVITIES

Year ended December 31, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Memorandum Only Year ended December 31, 2005</u>
REVENUES				
Grants	\$ -	\$ 490,771	\$ 490,771	\$ 349,230
Contributions	89,500	-	89,500	9,000
Fund raising	-	-	-	13,733
Other	63,982	-	63,982	531
Net assets released from restriction	<u>495,542</u>	<u>(495,542)</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>649,024</u>	<u>(4,771)</u>	<u>644,253</u>	<u>372,494</u>
EXPENSES				
Personnel	238,197	-	238,197	149,956
Fringe benefits	42,637	-	42,637	3,847
Stipends	3,914	-	3,914	3,175
Travel	22,199	-	22,199	7,445
Operating services	62,791	-	62,791	44,246
Operating supplies	90,259	-	90,259	76,963
Professional services	42,463	-	42,463	33,797
Equipment	40,256	-	40,256	23,568
Depreciation	<u>4,375</u>	<u>-</u>	<u>4,375</u>	<u>-</u>
Total Expenses	<u>547,091</u>	<u>-</u>	<u>547,091</u>	<u>342,997</u>
INCREASE IN NET ASSETS	101,933	(4,771)	97,162	29,497
NET ASSETS, BEGINNING OF YEAR	<u>54,434</u>	<u>4,771</u>	<u>59,205</u>	<u>29,708</u>
NET ASSETS, END OF YEAR	<u>\$ 156,367</u>	<u>\$ -</u>	<u>\$ 156,367</u>	<u>\$ 59,205</u>

The accompanying notes are an integral part of this statement.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

STATEMENT OF CASH FLOWS

Year ended December 31, 2006

		Memorandum Only Year ended December 31, 2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Grant revenue	\$ 440,272	\$ 336,965
Fund raising	-	13,733
Other	<u>93,482</u>	<u>531</u>
	533,754	351,229
Payments to employees and suppliers	(518,222)	(337,220)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>15,532</u>	<u>14,009</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,532	14,009
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>27,062</u>	<u>13,053</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u>42,594</u>	\$ <u>27,062</u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase in net assets	\$ <u>97,162</u>	\$ <u>29,497</u>
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	4,375	-
(Increase) decrease in grants receivable	(50,499)	(46,265)
Increase in accounts payable	24,494	5,777
Increase (decrease) in deferred revenue	(25,000)	25,000
Non-cash contribution, automobile	<u>(35,000)</u>	<u>-</u>
	81,630	(15,488)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u>15,532</u>	\$ <u>14,009</u>

The accompanying notes are an integral part of this statement.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the Corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follow.

1. Nature of Activities

Vietnamese Initiatives in Economic Training is a nonprofit Louisiana corporation established to assist members of the Vietnamese community to develop social, economic, recreational and educational programs, and in launching and successfully operating new business ventures. Operations began in October 2001.

2. Presentation of Financial Statements

The Corporation's financial statements are presented in accordance with the requirements established by the Financial Accounting Standards Board (FASB) as set forth in the Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-For-Profit Organizations." Accordingly, the net assets of the corporation are classified to present the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. There were no permanently restricted net assets.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

3. Revenue Recognition

For financial reporting, the corporation recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets and permanently restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions".

Grant revenue is recognized as it is earned in accordance with approved contracts.

4. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

5. Receivables

The corporation considers accounts receivable to be fully collectible since the balance consists principally of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

6. Property and Equipment

Donated assets are recorded at the estimated value at the time of donation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight line method. Depreciation expense for the year amounted to \$4,375.

It is the policy of the corporation to capitalize all property and equipment with an acquisition cost in excess of \$5,000.

7. Advertising Expenses

Advertising expenses are expensed as incurred, and amounted to \$645 for the year.

8. Income Taxes

The Corporation is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code.

9. Fair Values of Financial Instruments

The carrying amounts of cash and cash equivalents reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

10. Cash Equivalents

For the purpose of the statement of cash flows, the Corporation considers all investments with original maturities of three months or less to be cash equivalents.

11. Total Memorandum Only

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted principles. Neither is such data comparable to a consolidation.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006

NOTE B - GRANTS RECEIVABLE

Grants receivable at December 31, 2006, are as follows:

Community Development Block Grant	\$ 41,636
Louisiana Department of Education	
21 st Century Community Learning Centers	<u>71,783</u>
	\$ <u>113,419</u>

NOTE C - SCHEDULE OF FUNCTIONAL EXPENSES

	Program Expenses	General and Administrative	Total
Personnel	\$ 232,414	\$ 5,783	\$ 238,197
Fringe benefits	33,166	9,471	42,637
Stipends	3,176	738	3,914
Travel	19,424	2,775	22,199
Operating services	40,886	21,905	62,791
Operating supplies	82,933	7,326	90,259
Professional services	41,024	1,439	42,463
Equipment	37,748	2,508	40,256
Depreciation	-	<u>4,375</u>	<u>4,375</u>
Total	\$ <u>490,771</u>	\$ <u>56,320</u>	\$ <u>547,091</u>

NOTE D - OPERATING LEASE COMMITMENT

The Corporation has a 5 year operating lease for its program activities and administrative office at \$2,700 per month which expires May, 2012. Rental expenses for the year ended December 31, 2006 amounted to \$20,000.

NOTE E - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member.

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006

NOTE F - ECONOMIC DEPENDENCY

The Corporation receives a substantial amount of its revenue from funds provided through governmental grants. The grant amounts are administered each year by the State of Louisiana and the City of New Orleans. If significant budget cuts are made at the State or City level, the amount of the funds the organization receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the Corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the organization will receive in the next fiscal year.

Approximately 76% of the corporation's support for the year was from governmental grants.

SUPPLEMENTAL INFORMATION

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

COMBINED STATEMENT OF ACTIVITIES

Year ended December 31, 2006

	21 st Century	Adult Literacy	After School Program	CDBG
REVENUE				
Grant appropriations	\$ 299,365	\$ 20,000	\$ 93,879	\$ 41,716
Contributions				
Other				
Total Revenue	<u>299,365</u>	<u>20,000</u>	<u>93,879</u>	<u>41,716</u>
EXPENSES				
Personnel	140,464	16,306	37,306	19,520
Fringe benefits	19,387	203	5,184	4,726
Stipends	3,176			
Travel	8,036		10,736	426
Operating services	11,214	2,794	9,640	9,522
Operating supplies	67,130	697	3,666	7,522
Professional services	39,024		1,000	
Equipment	10,934		26,347	
Depreciation				
Total expenses	<u>299,365</u>	<u>20,000</u>	<u>93,879</u>	<u>41,716</u>
INCREASE (DECREASE) IN NET ASSETS	-	-	-	-
TRANSFERS TO/FROM GENERAL	-	-	(4,771)	-
NET ASSETS, BEGINNING OF YEAR	-	-	<u>4,771</u>	-
NET ASSETS, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING
COMBINED STATEMENT OF ACTIVITIES - Continued

Year ended December 31, 2006

	<u>EITC</u>	<u>United Way</u>	<u>Property and Equipment</u>	<u>General and Administrative</u>	<u>Total</u>
REVENUE					
Grant appropriations	\$ 19,811	\$ 16,000	\$ -	\$ -	\$ 490,771
Contributions			35,000	54,500	89,500
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,982</u>	<u>63,982</u>
Total Revenue	<u>19,811</u>	<u>16,000</u>	<u>35,000</u>	<u>118,482</u>	<u>644,253</u>
EXPENSES					
Personnel	12,518	6,300		5,783	238,197
Fringe benefits	2,405	1,261		9,471	42,637
Stipends				738	3,914
Travel		226		2,775	22,199
Operating services	3,679	4,037		21,905	62,791
Operating supplies	209	3,709		7,326	90,259
Professional services	1,000			1,439	42,463
Equipment		467		2,508	40,256
Depreciation	<u>19,811</u>	<u>16,000</u>	<u>4,375</u>	<u>51,945</u>	<u>4,375</u>
Total expenses			<u>4,375</u>		<u>547,091</u>
INCREASE (DECREASE) IN NET ASSETS	-	-	30,625	66,537	97,162
TRANSFERS TO/FROM GENERAL	-	-	-	4,771	-
NET ASSETS, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,434</u>	<u>59,205</u>
NET ASSETS, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,625</u>	<u>\$ 125,742</u>	<u>\$ 156,367</u>

CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Vietnamese Initiatives in Economic Training

We have audited the financial statements of Vietnamese Initiatives in Economic Training (a nonprofit corporation) as of December 31, 2006 and for the year then ended, and have issued our report thereon dated October 12, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Vietnamese Initiatives in Economic Training's internal control over financial reporting, as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Vietnamese Initiatives in Economic Training's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Vietnamese Initiatives in Economic Training's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Vietnamese Initiatives in Economic Training's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the audit committee, management, Louisiana Legislative Auditor, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Carcio & Schmitt, LLC

Metairie, Louisiana
October 12, 2007

VIETNAMESE INITIATIVES IN ECONOMIC TRAINING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2006

AUDIT FINDINGS

There were no findings for the current year or the prior year.

QUESTIONED COSTS

There were no questioned costs.

MANAGEMENT LETTER

A management letter was not issued for the year ended December 31, 2006.